

CENTRAL INDIANA COMMUNITY FOUNDATION, INC. [OR]

**DONOR-DESIGNATED SCHOLARSHIP ENDOWMENT FUND AGREEMENT FOR
Legal Name of Donor**

THIS AGREEMENT, made and entered into on _____, 20__, by and between [ENTITY NAME] (the “Community Foundation”) and _____ (“Donor” [or “Donors”]),

WITNESSETH:

WHEREAS, Donor desires to create a donor-designated scholarship endowment fund (the “Fund”) in the Community Foundation;

WHEREAS, the Community Foundation is a non-profit organization exempt from taxation under Internal Revenue Code (“Code”) Section 501(c)(3), a public charity described in Section 170(b)(1)(A)(vi) of the Code, and accordingly an appropriate institution within which to establish such a charitable endowment; and

WHEREAS, the Community Foundation is willing and able to create such an endowment, subject to the terms and conditions hereof.

NOW THEREFORE, the parties agree as follows:

GENERAL PROVISIONS:

1. **GIFTS** Donor hereby transfers irrevocably to the Community Foundation the property described on the attached Exhibit A to establish the Fund. Subject to the right of the Community Foundation to reject any particular gift, any person whether an individual, corporation, trust, estate or organization may make additional gifts to the Community Foundation for the purposes of the Fund by a transfer to the Community Foundation of property acceptable to the Community Foundation in whole or in part for the Fund. All gifts, bequests and devises to this Fund shall be irrevocable once accepted by the Community Foundation.

2. **PURPOSE** The primary purpose of the Fund shall be to provide support as directed by the Board of Directors of the Community Foundation (the “Board”) to organizations described in Code Section 509(a)(1), (2), or (3) and specified in paragraph 13 hereof.

3. **DISTRIBUTION** Distributions from the Fund shall be committed, granted or expended in accordance with the then current spending policies of the Community Foundation, for purposes described in Code Section 170(c)(1) or 170(c)(2)(B) to organizations described in Code Section 509(a)(1), (2), or (3). If any gifts to the Community Foundation for the purposes of the Fund are received and accepted subject to a donor’s conditions or restrictions as to the use of the gift or the income

therefrom, said conditions or restrictions will be honored, subject, however, to the authority of the Board to vary the terms of any gift if continued adherence to any condition or restriction is in the judgment of the Board unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served by the Community Foundation. No distribution shall be made from the Fund to any individual or entity if such distribution will in the judgment of the Community Foundation endanger the Community Foundation's Code Section 501(c)(3) status.

4. **ADMINISTRATIVE PROVISIONS** Notwithstanding anything herein to the contrary, the Community Foundation shall hold the Fund, and all contributions to the Fund, subject to the provisions of the applicable federal and Indiana laws and the Community Foundation's Bylaws and Articles of Incorporation. The Board shall monitor the distribution of the Fund, and shall have all powers of modification and removal specified in United States Treasury Regulation Section 1.170A-9(f)(11)(v)(B).

The Board agrees to provide any donor that has contributed to the Community Foundation at least \$10,000 a copy of the annual examination of the finances of the Community Foundation as reported upon by independent certified public accountants.

This Agreement and all related proceedings shall be governed by and interpreted under the laws of the State of Indiana. Any action with respect to this Agreement shall be brought in or venued to a court of competent jurisdiction in Indiana.

5. **CONDITIONS FOR ACCEPTANCE OF FUNDS** Donor agrees and acknowledges that the establishment of the Fund herein created is made in recognition of, and subject to, the terms and conditions of the Bylaws and the Articles of Incorporation of the Community Foundation, as from time to time amended, and that the Fund shall at all times be subject to such terms and conditions, including but not by way of limitations, provisions for:

- (a) Presumption of Donor's intent;
- (b) Variance from Donor's direction; and
- (c) Amendments.

6. **CONTINUITY** The Fund shall continue so long as the assets in the Fund meet the minimum fund balance required by Community Foundation policy for funds of its type and the purposes in the Fund can be served by its continuation. If the Fund is terminated, the Community Foundation shall devote any remaining assets in the Fund exclusively for charitable purposes that:

- (a) Are within the scope of the charitable purposes of the Community Foundation's Bylaws and Articles of Incorporation; and
- (b) Most nearly approximate, in the good faith opinion of the Board, the original purpose of the Fund.

7. **NOT A SEPARATE TRUST** The Fund shall be a component part of the Community Foundation. All money and property in the Fund shall be held as general assets of the Community Foundation and not segregated as trust property of a separate trust; provided that the Fund shall be allocated its pro rata share of the net earnings of the Community Foundation's long-term pool, such percentage interest being subject to adjustment at the time of each addition to, or reduction of, assets in the long-term pool.

8. **ACCOUNTING** The receipts and disbursements of this Fund shall be accounted for separately and apart from those of other gifts to the Community Foundation.

9. **INVESTMENT OF FUNDS** The Community Foundation shall have all powers necessary, or in its sole discretion desirable, to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest and reinvest the Fund and the power to commingle the assets of the Fund with those of other funds for investment purposes.

The Community Foundation's long-term pool is a well-diversified investment pool with a long-term investment return objective. Funds invested in this pool are subject to the volatility of market conditions and there is no guarantee of investment return or preservation of principal. The Community Foundation shall not be responsible for any loss or reduction in value with respect to any assets held in the Fund unless any loss or reduction in value is due to the intentional misconduct or gross negligence of the Community Foundation or its employees or agents.

10. **COSTS OF THE FUND** It is understood and agreed that the Fund shall share a fair portion of the total investment and administrative costs of the Community Foundation. Those costs annually charged against the Fund shall be determined in accordance with the then current fee schedule identified by the Community Foundation as applicable to funds of this type, as such schedule may be amended by the Community Foundation from time to time. Any costs to the Community Foundation in accepting, transferring or managing property donated to the Community Foundation for the Fund shall also be paid from the Fund.

SPECIFIC PROVISIONS:

11. **NAME OF THE FUND** The name of the Fund shall be the _____
Scholarship Fund.

12. **CHARITABLE ORGANIZATIONS TO BE SUPPORTED** The Fund shall provide support as directed by the Board to the following organizations set forth in the attached Exhibit B, provided that all such organizations are described in Code Section 509(a)(1), (2), or (3) and the annual allocation from the Fund, net of fees and expenses set forth in paragraph 11, shall be distributed in the percentages indicated for the specified charitable purpose:

NAME AND ADDRESS OF ORGANIZATION

ALLOCATION (%)

The purpose of the award is to grant scholarship funds to students of the designated organization. Unless current or future Community Foundation policy mandates otherwise, the Fund will award scholarships with renewable opportunities and fund a student to degree attainment if the student remains in school, remains in good academic standing, continues to meet the Fund’s criteria, and applies for renewal. No scholarship awards will be granted by the designated organization directly to an individual scholarship recipient.

If the designated organization ceases to exist or fails to qualify as an organization described in Code Section 509(a)(1), (2), or (3), then the assets of the Fund will be distributed to [The Indianapolis Foundation or the Legacy Fund] Community Scholarship Fund, and this Fund will be terminated.

13. **BENEFICIARY** _____ [name of school] (the “School”) agrees and acknowledges that it is the designated organization and beneficiary of awards granted from the Fund. The School agrees to administer the awards, considering the scholarship criteria and then-current Community Foundation scholarship policy in its selection of scholarship recipients. The School further agrees to cooperate with all reasonable requests of the Community Foundation with respect to the Fund.

14. **ORIGINAL AND ENTIRE AGREEMENT** This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission, by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Agreement. Signatures by the parties electronically transmitted shall be deemed to be original signatures for all purposes. This Agreement supersedes all other prior discussions, representations, and agreements, whether oral or written, express or implied, between the parties relating to the matters contemplated herein and constitutes the entire agreement between the parties relating to the subject matter hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, Donor has executed this Agreement and the Community Foundation has caused this Agreement to be approved by its Board of Directors and to be executed by a duly authorized officer, all as of the day and year first above written.

Donor

Central Indiana Community Foundation, Inc.

[Name of Donor]

Brian Payne, President and CEO or
Robert A. MacPherson, VP for Development

Agreed to and acknowledged by:
[SCHOOL]

[Name of Authorized Signatory & Title]

12/16 smw

EXHIBIT A

LIST OF INITIAL DONATIONS TO FUND

EXHIBIT B
Scholarship Selection Criteria

The Fund is designed to provide scholarship assistance in the form of grants for tuition, room and board, and related fees (e.g., books) to students who meet the following criteria:

- Seniors graduating from the School;
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Unless current or future Community Foundation policy mandates otherwise, minimum annual awards of \$1,000.00 per student are recommended.

[Consider whether to include Donor's scholarship philosophy]